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Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 NSAE-00 NSCE-00 SSO-00
ICAE-00 INRE-00 PM-05 H-01 INR-10 L-03 PA-01
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O R 161735Z JUN 78
FM AMEMBASSY ROME
TO SECSTATE WASHDC IMMEDIATE 3628
INFO AMCONSUL FLORENCE
AMEMBASSY BONN
DIA
AMCONSUL GENOA
AMEMBASSY LONDON
AMCONSUL MILAN
AMCONSUL NAPLES
AMCONSUL PALERMO
AMEMBASSY PARIS
USMISSION USNATO
USCINCEUR VAIHINGEN GERMANY
USDOCOSOUTH

C O N F I D E N T I A L SECTION 1 OF 2 ROME 11257

LONDON PLS PASS AMBASSADOR GARDNER

E.O. 11652: GDS
TAGS: PFOR, IT, PINT
SUBJECT: PRESIDENT LEONE'S RESIGNATION

REF: A. ROME 11124, B. ROME 11169

1. SUMMARY: A NUMBER OF FACTORS CONTRIBUTED TO CREATING THE NERVOUS ATMOSPHERE THAT LED TO LEONE'S SUDDEN RESIGNATION ON JUNE 15. CHIEF AMONG THESE WERE THE IMPACT OF MORO'S REMOVAL FROM THE POLITICAL SCENE, THE PCI'S UNSETTLING SETBACK IN THE MAY LOCAL ELECTIONS, CONFIDENTIAL

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THE DISTURBING JUNE REFERENDUM VOTE, THE PSI'S NEW FOUND "AUTONOMY," AND THE INCREASING SHIFT WITHIN THE DC TO MORE CONSERVATIVE POSITIONS. THESE FACTORS WEAKENED THE POLITICAL ARRANGEMENT AS REFLECTED IN THE PRESENT ANDREOTTI GOVERNMENT, CREATING TENSIONS AND UNEASE IN POLITICAL CIRCLES AND, IN PARTICULAR, THE PCI. RESPONDING BY ADOPTING A MORE AGGRESSIVE STANCE ON POLITICAL AND ECONOMIC ISSUES, THE PCI BEGAN TO LOOK FOR

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WAYS TO RECAPTURE THE POLITICAL INITIATIVE. VULNERABLE TO ATTACK SINCE THE LOCKHEED SCANDAL BROKE OVER TWO YEARS AGO, LEONE APPEARS TO HAVE PROVIDED THE PCI WITH A READY TARGET. WITH THE EXPECTATION OF EVER MORE COMPROMISING MAGAZINE ALLEGATIONS, DC LEADERS BECAME CONVINCED THAT LEONE WOULD PROBABLY HAVE TO STEP DOWN BY THE END OF THE MONTH. REPORTEDLY OBSTINATE IN HIS ATTEMPTS TO REMAIN IN OFFICE, LEONE'S HAND WAS FINALLY FORCED BY THE PCI'S DECISION TO ISSUE ITS FORMAL CALL FOR THE PRESIDENT'S RESIGNATION. POLITICAL LEADERS ARE NOW TURNING THEIR ATTENTION TO THE ELECTION OF A NEW PRESIDENT (A PROCESS THAT CONSTITUTIONALLY MUST BEGIN BEFORE JUNE 30) AND THE IMPACT THAT THE SELECTION WILL HAVE ON THEIR AND THEIR PARTY'S FORTUNES. END SUMMARY.

2. PRESIDENT LEONE'S SUDDEN RESIGNATION YESTERDAY, JUNE 15, WAS A SURPRISE TO THE COUNTRY AS A WHOLE. TODAY'S JOURNALISTIC COMMENTATORS ARE ON THE WHOLE CAUTIOUS AND FULL OF QUESTIONS. THE PROFESSIONAL POLITICIANS ARE REACTING SIMILARLY SINCE THE BACKSTAGE EVENTS WHICH LED TO LEONE'S SUDDEN RESIGNATION INVOLVED A RELATIVELY SMALL NUMBER OF POLITICAL LEADERS. HOWEVER, POLITICIANS AS A WHOLE DO NOT SEEM DISPOSED TO SPEND A GREAT DEAL OF TIME TRYING TO DETERMINE WHY LEONE RESIGNED WHEN HE DID BUT, RATHER, ARE TURNING THEIR ATTENTION TO THE ELECTION OF A NEW PRESIDENT AND THE IMPACT THAT IT WILL HAVE ON THEIR OR THEIR PARTY'S FORTUNES.

3. A NUMBER OF FACTORS CONTRIBUTED TO CREATING THE ATMOSPHERE THE LED TO LEONE'S RESIGNATION. THE ANDREOTTI GOVERNMENT CONFIDENTIAL

WHICH WAS INSTALLED IN MARCH WAS IN LARGE MEASURE BASED ON A WORKING AGREEMENT, NEGOTIATED BY MORO, BETWEEN THE DC AND THE PCI. THE PRINCIPAL ELEMENTS OF THAT AGREEMENT WERE PCI PARTICIPATION IN THE PARLIAMENTARY MAJORITY, PCI SUPPORT FOR MORO'S CANDIDACY FOR THE PRESIDENCY, AND JOINT AGREEMENT TO AVOID ANY POLITICAL CRISIS BETWEEN MARCH AND THE ELECTION OF A NEW PRESIDENT IN DECEMBER. FOR THE PCI, MORO WAS THE GUARANTOR OF THAT AGREEMENT. WITH THE ASSASSINATION OF MORO, BOTH THE BASIS FOR THE AGREEMENT AND ONE OF ITS PRINCIPAL OBJECTIVES DISAPPEARED AND THE FOUNDATION OF THE PRESENT POLITICAL ARRANGEMENT WAS SIGNIFICANTLY WEAKENED. FOR THE PCI, THE UNCERTAINTIES AND DANGERS CREATED BY MORO'S DISAPPEARANCE FROM THE SCENE WERE MAGNIFIED BY THE VERY POOR RESULTS OF THE MAY 14 LOCAL ELECTIONS AND THE SUBSEQUENT ONES IN SICILY. THE IMPACT OF THESE RESULTS WERE REINFORCED BY THE DISAPPOINTING VOTE ON THE REFERENDUM ON PUBLIC FINANCING OF POLITICAL PARTIES. IN ADDITION TO THE FOREGOING, THE NEW-FOUND UNITY AND "AUTONOMY" OF THE PSI, WITH THE PERSISTENT RUMORS THAT THE PSI WOULD ATTEMPT TO MAKE A DEAL WITH THE DC ON THE PRESIDENCY, FURTHER TROUBLED THE WATERS. FINALLY, THERE HAVE BEEN MANY SIGNS IN RECENT MONTHS THAT THE ELECTORATE OF THE DC IS MOVING AWAY FROM THE LEFT AND TOWARD A MORE CONSERVATIVE POSITION. ALL OF THESE FACTORS TENDED TO CREATE AN

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ATMOSPHERE OF TENSION AND NERVOUSNESS IN ITALIAN POLITICAL
CIRCLES AND, IN PARTICULAR, IN THE PCI, WHICH BEGAN TO LOOK
FOR WAYS OF RECAPTURING THE POLITICAL INITIATIVE. THE ISSUE

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C O N F I D E N T I A L SECTION 2 OF 2 ROME 11257

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THAT THE PCI APPEARS TO HAVE CHOSEN WAS PRESIDENT LEONE,
WHO HAS BEEN VULNERABLE TO ATTACK SINCE THE LOCKHEED SCANDAL
STARTED TWO PLUS YEARS AGO.

4. ACCORDING TO A WELL-INFORMED DC SOURCE, THE PCI HAS HAD
DETRIMENTAL INFORMATION ON LEONE WHICH IT HAD BEEN USING TO
"BLACKMAIL" THE PRESIDENT. LEONE HAD CONTINUALLY RESISTED ALL
SUGGESTIONS THAT HE STEP DOWN, THEREBY PLACING THE DC IN AN
"IMPOSSIBLE" POSITION. ON PREVIOUS OCCASIONS AS WELL AS YESTERDAY,
LEONE ALLEGEDLY INTERCEDED DIRECTLY WITH THE PCI TO PREVENT
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THE PUBLICATION OF DAMAGING MATERIAL. HIS RECENT EFFORTS WERE UNSUCCESSFUL. AFTER THE LATEST SERIES OF CHARGES AGAINST LEONE, DC LEADERS DOUBTED THAT HE COULD REMAIN IN OFFICE MORE THAN A FEW MORE WEEKS. DC LEADERS DELEGATED PICCOLI TO SPEAK TO THE PRESIDENT SEVERAL DAYS AGO. PICCOLI REPORTEDLY GOT LEONE'S AGREEMENT TO STEP DOWN SHOULD THE PRESS CAMPAIGN AND ENSUING POLITICAL CONTROVERSY ESCALATE. LEONE NONETHELESS APPARENTLY OBSTINATELY BELIEVED THAT HE WOULD BE ABLE TO RIDE OUT THE STORM. HOWEVER, WHEN IT BECAME CLEAR THAT L'ESPRESSO' (AND BY IMPLICATION, THE PCI) WAS READY TO CONTINUE PUBLISHING INCREASINGLY SERIOUS ALLEGATIONS, WHICH WOULD HAVE MADE LEONE'S POSITION UNTENABLE, THE PCI CHOSE ITS MOMENT TO STRIKE AND ISSUED ITS FORMAL CALL FOR LEONE'S RESIGNATION ON JUNE 15.

5. WHATEVER THE REASON OR COMBINATION OF REASONS THAT LED LEONE TO DECIDE TO RESIGN SO SUDDENLY, THE PARTIES ARE NOW CLEARLY TURNING THEIR ATTENTION TO THE ELECTION OF A NEW PRESIDENT AND THEIR REACTION TO LEONE'S RESIGNATION MUST BE READ IN THIS CONTEXT. THE DC WILL DO EVERYTHING POSSIBLE TO DISASSOCIATE ITSELF FROM LEONE AND HIS ALLEGED WRONGDOING. IN THE INTEREST OF NOT COMPLICATING ITS FUTURE RELATIONS WITH THE DC, THE PCI'S REACTION IS VERY CAUTIOUS AND INDEED ALMOST COMPLIMENTARY TOWARD LEONE. THE POSITION OF THE LAY PARTIES IS STILL NOT ENTIRELY CLEAR, BUT THEY TOO CAN BE EXPECTED TO BEAR IN MIND THE ELECTION OF A NEW PRESIDENT AND THE RELATIONS AMONG THE PARTIES THEREAFTER.

6. WHILE IT IS FAR TOO EARLY TO MAKE ANY PREDICTIONS ON WHO MIGHT BE ELECTED PRESIDENT, A FEW PRELIMINARY REMARKS CAN BE MADE. OF THE THREE DC CANDIDATES, THE ELECTION OF FANFANI WOULD CREATE FEWER IMMEDIATE POLITICAL PROBLEMS THAN EITHER OF THE OTHERS SINCE FANFANI HOLDS NO GOVERNMENT OR PARTY POSITION. ON THE OTHER HAND, THE ELECTION OF ZACCAGNINI WOULD REQUIRE THE
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ELECTION OF A NEW SECRETARY OF THE PARTY WHO WOULD, IN ALL LIKELIHOOD, CREATE A MORE CONSERVATIVE SECRETARIAT AND ONE LESS DISPOSED TO COOPERATION WITH THE PCI THAN IS THE PRESENT ZACCAGNINI ONE. NEVERTHELESS, ZACCAGNINI APPEARS TO BE THE STRONGEST DC CANDIDATE. THE ELECTION OF ANDREOTTI TO THE PRESIDENCY WOULD RESULT IN A RESHUFFLE WITHIN THE DC WITH THE LIKELIHOOD OF A MORE CONSERVATIVE PRIME MINISTER. SINCE THE FOREGOING ARE THE FAVORED CANDIDATES AT THE MOMENT, THE ELECTION OBVIOUSLY POSES SERIOUS PROBLEMS FOR BOTH THE DC AND THE PCI. OF THE LAY PARTY CANDIDATES, MOST POLITICIANS BELIEVE LA MALFA IS TOO OLD AND STANDS LITTLE CHANCE. SIMILARLY, THE PSI'S

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DE MARTINO IS CONSIDERED TOO OLD, NOT SUFFICIENTLY DISTINGUISHED, AND BLEMISHED BY THE DEALS MADE FOR THE RELEASE OF HIS KIDNAPPED SON. THE PSI'S GIOLOTTI ALSO APPEARS TO LACK THE STATURE AND DISTINGUISHED RECORD THAT WOULD NORMALLY BE SOUGHT AND, IN ADDITION, IS AN EX-COMMUNIST.

7. PRESIDENTIAL ELECTIONS IN ITALY HAVE IN THE PAST LASTED FOR WEEKS WITH DOZENS OF BALLOTS BEING CAST BEFORE A PRESIDENT IS CHOSEN. UNLESS THE LARGER PARTIES CAN REACH AN AGREEMENT ON A CANDIDATE BEFORE THE BALLOTING STARTS, THE ELECTORAL PROCESS COULD LAST SEVERAL WEEKS. NO DATE HAS YET BEEN FIXED FOR THE BEGINNING OF THE ELECTORAL PROCESS BUT THE CONSTITUTION REQUIRES THE PRESIDENT OF THE CHAMBER TO CONVOKE A JOINT SESSION ON OR BEFORE JUNE 30. IN THE MEANTIME LEGISLATIVE ACTIVITY IS APT TO BE PARALYZED WITH THE STRONG POSSIBILITY THAT THE URGENT ECONOMIC MEASURES, TO WHICH THE GOVERNMENT WAS ADDRESSING ITSELF THIS AND NEXT WEEK, WILL PROBABLY BE POSTPONED UNTIL AFTER THE ELECTION OF THE PRESIDENT. HOLMES

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